

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Court File No. 05 CV 440 MJD/JGL

Bernarda Rivas, as general conservator,
By and on behalf of her daughter,
Theresa Castilleja,
Plaintiff,

**ORDER APPROVING
INCOMPETENT PERSON
SETTLEMENT**

Minneapolis Public Schools and Special
School District No. 1, municipal subdivisions,
Richard Kantorowicz, Bruce Gilman, and
Rasheedah Ali, individuals,

Defendants.

Upon the foregoing Petition for Approval of Incompetent Person Settlement and all files, records and proceedings herein, Teresa Castilleja and her parent and conservator, Bernarda Rivas, having appeared personally before the undersigned on July 17, 2006 and the Court having made inquiries of Teresa Castilleja and her parent and conservator, Bernarda Rivas, and having duly considered all of the foregoing:

IT IS HEREBY ORDERED:

1. That the Petitioner, Bernarda Rivas, the parent and conservator of Teresa Castilleja is hereby authorized to accept on behalf of her daughter, an incompetent person, a full and complete settlement of all claims of the Petitioner and to execute the same in full and complete release of all claims as described in Petitioner's Petition.

2. That the Petitioner, Bernarda Rivas, is hereby authorized to execute any and all documents of release, as may be required, discharging Defendants from any and all liability to Teresa Castilleja for claims which she may now have or may have in the future for psychological or personal injuries or damages and described in the Petition.

3. That the Defendant Special School District #1, Minneapolis Public Schools is authorized to purchase the following annuity: a structured settlement annuity to be placed with Allstate Life Insurance Company, which is rated A+ by A.M. Best, with a financial size category of class XV. The total annuity cost is \$33,955.

4. The annuity payments are to be made as follows:

PAYEE: Teresa Castilleja Special Needs Trust

BENEFITS: Commencing on 08/15/2006, monthly payments for 10 years, (120 payments), guaranteed certain, in the amount of \$341.14 per month. Last guaranteed payment is due 07/15/2016.

TOTAL GUARANTEED PAYOUT: \$40,936.80

INTERNAL RATE OF RETURN: 3.90%

The periodic payments will be paid by Allstate Life Insurance Company, the annuity issuer, subject to the terms and conditions of the Uniform Qualified Assignment and Settlement Agreement and Release. The Assignee, NABCO Assignments, Ltd., is the applicant/owner of the annuity contract.

Teresa Castilleja Special Needs Trust will be entitled to each periodic payment only when the payment becomes due. She will have no rights to the funding source, or power to designate the owner of the annuity, or have any right to control or designate the method of investment of the funding medium. In the event of the death of Teresa Castilleja prior to all guaranteed periodic payments being paid, beneficiary payments will be paid to her mother, Bernarda Rivas.

The original annuity policy will be deposited with the court administrator and the policy will be returned to the owner of the policy when the terms of the policy have been fully performed, or Teresa Castilleja dies, whichever occurs first.

5. Defendants shall also pay Petitioner's attorneys, John A. Klassen, P.A., their attorneys' fees and costs and expenses of the litigation, in the amounts of \$17,500 attorneys' fees (1/3 contingency fee) and \$1,045 for reimbursement of costs and expenses, which are to be paid no later than ten (10) business days after the date of entry of this Order.

6. The settlement does not include any additional payments except as set forth in paragraphs 4 and 5 above. Any taxes subsequently owed will be the responsibility of Teresa Castilleja.

BY THE COURT:

Dated: July 31, 2006

s / Michael J. Davis
The Honorable Michael J. Davis